



# State of Utah

DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

Norman H. Bangerter

Governor

Dee C. Hansen

Executive Director

Dianne R. Nielson, Ph.D.

Division Director

355 West North Temple

3 Triad Center, Suite 350

Salt Lake City, Utah 84180-1203

801-538-5340

February 8, 1991

First Security Bank of Idaho  
P. O. Box 599  
Hayden, Idaho 83835

Attention: Ms. Liese Thompson  
Branch Manager

Re: Certificate of Deposit for Escalante Silver Mine, Hecla Mining Company,  
M/021/004, Iron County, Utah

This is in regards to regulatory requirements of the mining statute and rules of the State of Utah, Division of Oil, Gas and Mining, governing the operations and reclamation of the Escalante Silver Mine, Permit Number M/021/004, operated by Hecla Mining Company (Hecla). A \$181,500 surety is to be issued as a Certificate of Deposit by First Security Bank of Idaho.

The Certificate will be issued for a term of 1 month and be automatically renewable upon expiration. The Certificate should be made out in the name of Division of Oil, Gas and Mining and United States Bureau of Land Management. The interest earned by the Certificate of Deposit will be dispersed upon maturity, and deposited into Hecla Mining Company's account. If the Certificate is redeemed before the maturity date and the penalty reduces the face value of \$181,500, the State of Utah, Division of Oil, Gas and Mining will go to Hecla for reimbursement of that loss. If redeemed after the maturity date, then \$181,500 will go to the State of Utah, Division of Oil, Gas and Mining and the remaining balance will go to Hecla's account.

If the statute or rules of the state of Utah, Division of Oil, Gas and Mining are violated, with respect to the operation or reclamation of the Escalante Silver Mine covered by this surety, the state of Utah, Division of Oil, Gas and Mining has the authority to call the Certificate on demand, for the full amount of \$181,500. Any loss due to an early redemption will be the responsibility of Hecla Mining Company and will not be the expense or responsibility of the State of Utah.

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First Security Bank of Idaho

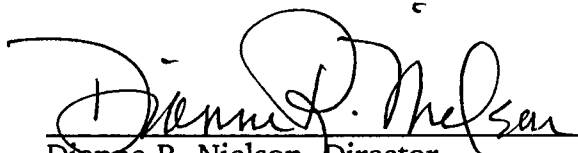
Hecla Mining Company

February 8, 1991

The Division Director's signature, Dianne R. Nielson, and the BLM, Cedar City District Office, Authorized Agent, Gordon R. Staker, will be required to call the Certificate or release said funds back to Hecla Mining Company.

First Security Bank of Idaho will not be held liable for any dispute between the parties. These rules pertain to the Certificate Number: \_\_\_\_\_.

Agreed Upon by:



Dianne R. Nielson, Director  
Division of Oil, Gas and Mining

\_\_\_\_\_  
David Wolfe, Assistant Treasurer  
Hecla Mining Company

Tax I.D. Number: 87-00545

Tax I.D. Number: \_\_\_\_\_